

House File 373 - Enrolled

PAG LIN

HOUSE FILE 373

1 1

1 2

1 3

AN ACT

1 4 RELATING TO EQUIPMENT DEALERSHIPS, BY PROVIDING FOR THE SALE

1 5 OR TRANSFER OF A DEALERSHIP AND PROVIDING FOR THE ACT'S

1 6 APPLICABILITY.

1 7

1 8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 9

1 10 Section 1. NEW SECTION. 322F.5A TRANSFER OF DEALERSHIP.

1 11 1. If a supplier has contractual authority to approve or

1 12 deny a request for a sale or transfer of a dealer's business

1 13 or an equity ownership interest in the business, the supplier

1 14 shall approve or deny the request within sixty days after

1 15 receiving a written request from the dealer. If the supplier

1 16 has not approved or denied the request within the sixty-day

1 17 period, the request shall be deemed approved. The dealer's

1 18 request shall include reasonable financial information,

1 19 personal background information, character references, and

1 20 work histories for each acquiring person.

1 21 2. If a supplier denies a request made pursuant to this

1 22 section, the supplier shall provide the dealer with a written

1 23 notice of the denial that states the reasons for the denial.

1 24 A supplier may only deny a request based on the failure of a

1 25 proposed transferee to meet the reasonable requirements

1 26 consistently imposed by the supplier in determining whether to

1 27 approve a transfer or a new dealership.

1 28 Sec. 2. Section 322F.9, subsection 2, Code 2005, is

1 29 amended by adding the following new paragraph:

1 30 NEW PARAGRAPH. d. For all dealership agreements governing

1 31 the sale or transfer of a dealer's business, section 322F.5A

1 32 applies to those dealership agreements in effect that have no

1 33 expiration date and all other such dealership agreements

1 34 entered into or renewed on or after July 1, 2005. Any

1 35 dealership agreement in effect on July 1, 2005, which by its

2 1 own terms will terminate on a subsequent date, shall be

2 2 governed by the law as it existed prior to July 1, 2005.

2 3

2 4

2 5

2 6

CHRISTOPHER C. RANTS

2 7

Speaker of the House

2 8

2 9

2 10

2 11

JOHN P. KIBBIE

2 12

President of the Senate

2 13

2 14 I hereby certify that this bill originated in the House and

2 15 is known as House File 373, Eighty-first General Assembly.

2 16

2 17

2 18

2 19

MARGARET THOMSON

2 20

Chief Clerk of the House

2 21 Approved _____, 2005

2 22

2 23

2 24

2 25 THOMAS J. VILSACK

2 26 Governor